

# CITY OF MUSKEGON

## CITY COMMISSION MEETING

JULY 12, 2005

CITY COMMISSION CHAMBERS @ 5:30 P.M.

### MINUTES

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, Michigan at 5:30 p.m., Tuesday, July 12, 2005.

Mayor Warmington opened the meeting with a prayer from Pastor Sarah Johnson of the Word of Truth Outreach after which the Commission and public recited the Pledge of Allegiance to the Flag.

#### **ROLL CALL FOR THE REGULAR COMMISSION MEETING:**

Present: Mayor Stephen Warmington, Vice Mayor Bill Larson, Commissioner Lawrence Spataro, Chris Carter, Kevin Davis, Stephen Gawron, and Clara Shepherd, City Manager Bryon Mazade, City Attorney John Schrier, and City Clerk Gail Kundinger.

#### **2005-61 CONSENT AGENDA:**

##### **A. Approval of Minutes. CITY CLERK**

SUMMARY OF REQUEST: To approve the minutes of the Regular Commission Meeting that was held on Tuesday, June 28, 2005.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

##### **C. Sale of Buildable Vacant Lot at 551 South Getty. PLANNING & ECONOMIC DEVELOPMENT**

SUMMARY OF REQUEST: To approve the sale of a vacant buildable lot at 551 S. Getty Street to Angela Hawkins, 531 S. Getty Street, Muskegon, MI. The lot is 80 x 111 ft. and is being offered to Angela Hawkins for \$3,000. Angela Hawkins will be combining this property with her existing property and building an addition to her home. Her home is a two story home and the addition will be in line with the existing structure. She will be adding just over 1,000 square feet in total to the home. The True Cash Value for the property listed in the Assessor's Office is \$4,000, and our price is set at \$3,000 which is 75% of that amount.

FINANCIAL IMPACT: The sale of this lot to the adjacent property owner for the construction of an addition to her existing home will generate additional tax revenue for the City and will place the property back on the City's tax rolls thus relieving the City of continued maintenance costs.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the resolution and to authorize both the Mayor and the Clerk to sign said resolution and deed.

COMMITTEE RECOMMENDATION: The Land Reutilization Committee recommends approval of the sale with the condition that the property be combined with the owner's original parcel and they have 18 months to build the addition.

**D. Policy Change to "Policy for Sale of City owned Residential Property.**

**PLANNING & ECONOMIC DEVELOPMENT**

SUMMARY OF REQUEST: To approve the change to the "Policy for Sale of City-Owned Residential Property" to include that Closing Costs will be split between the buyer and the seller.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: none

STAFF RECOMMENDATION: To approve the resolution and to authorize both the Mayor and the Clerk to sign said resolution.

COMMITTEE RECOMMENDATION: The Land Reutilization Committee recommended approval of the policy change at their regular meeting of June 28, 2005.

**Motion by Commissioner Carter, second by Commissioner Gawron to approve the Consent Agenda as read with the exception of item B.**

**ROLL VOTE: Ayes: Warmington, Carter, Davis, Gawron, Larson, Shepherd, and Spataro**

**Nays: None**

***MOTION PASSES***

**2005-62 ITEM REMOVED FROM THE CONSENT AGENDA:**

**B. Used Computer Equipment Sale. H.E.A.L.T.H. Committee**

SUMMARY OF REQUEST: The City H.E.A.L.T.H. and Fitness Committee seeks City Commissioners' approval to sell obsolete computer equipment that the Information Technology Department has in storage in the City Hall basement. This old equipment is set to be discarded or destroyed by the Information Technology Department. The proceeds from this fundraiser will be used to purchase exercise equipment for the fitness area in the City Hall basement this

fall.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the request for sale of obsolete computer equipment and the proceeds from the sale go to the H.E.A.L.T.H. Exercise Equipment Project for City Hall.

**Motion by Commissioner Davis, second by Commissioner Carter to approve the used computer equipment sale.**

**ROLL VOTE: Ayes: Carter, Davis, Gawron, Larson, Shepherd, Spataro, and Warmington**

**Nays: None**

***MOTION PASSES***

**2005-63 UNFINISHED BUSINESS:**

**A. Greek Festival Liquor License. (Mayor & Commission)**

**Motion by Commissioner Spataro, second by Commissioner Carter to approve The Big Fat Greek Festival's request to sell ouzo using one ounce serving containers, with the Fraternal Order of Police being in charge of serving at a separate location from the beer and wine.**

**ROLL VOTE: Ayes: Davis, Gawron, Larson, Shepherd, Spataro, Warmington, and Carter**

**Nays: None**

***MOTION PASSES***

**2005-64 NEW BUSINESS:**

**A. Accounting Services Contract. FINANCE**

SUMMARY OF REQUEST: In 1997, in conjunction with an early retirement initiative, the Finance Department replaced a full-time finance clerk position with a contractual accounting services arrangement. This has proven to be a very successful and efficient arrangement: the number of billable hours has steadily declined each year while the quality and volume of work has increased. In 2004, the total cost of the contract was \$11,279 for 262 hours of work. By way of comparison, the 2005 budgeted cost (wages and benefits) for a position comparable to the one replaced in 1997 is \$60,000.

The contract for accounting services has been with Hoffman, Steensma & Plamondon (HSP) since the start. The HSP individual assigned to this account now has several years of valuable experience with city financial procedures and maintains an excellent working relationship with finance staff. HSP has submitted a proposal for a three-year renewal of the contract which staff believes is fair

and reasonable.

FINANCIAL IMPACT:

	<u>Professional Staff</u>	<u>% Increase</u>	<u>Manager &amp; Partner</u>	<u>% Increase</u>
Current	\$42.00		\$50.00	
2006	\$43.00	2.4%	\$51.00	2.0%
2007	\$44.00	2.3%	\$52.00	2.0%
2008	\$45.00	2.3%	\$53.00	1.9%

BUDGET ACTION REQUIRED: The 2005 budget includes adequate funding for these services. Future budgets will incorporate the proposed rates.

STAFF RECOMMENDATION: Approval of a three-year contract extension with Hoffman, Steensma & Plamondon, PLC for accounting services.

**Motion by Vice Mayor Larson, second by Commissioner Gawron to approve a three-year contract extension with Hoffman, Steensma & Plamondon, PLC for accounting services.**

**ROLL VOTE: Ayes: Gawron, Larson, Shepherd, Spataro, Warmington, Carter, and Davis**

**Nays: None**

***MOTION PASSES***

**B. Request to Purchase Two Fire Engines. PUBLIC SAFETY**

SUMMARY OF REQUEST: Fire Department staff is requesting approval by the Commission to allow for the procurement of two fire engines. The first engine would be a standard front-line engine, which would be purchased. The second would be an engine to include a 75' aerial ladder with a water delivery system which would be leased over a period of ten years. These two engines would replace two engines that are currently in service. The low bid, which meets all stated specifications, was submitted by Crimson Fire, 907 7<sup>th</sup> Ave., Brandon, South Dakota. Crimson is a subsidiary of Spartan Motors of Charlotte, Michigan. The bid price submitted by Crimson is \$1,031,390.

FINANCIAL IMPACT: Funds for this purchase and lease would originate in the City's Public Improvement Fund. The current balance would provide for the purchase of the first engine. Part of the future funds would provide the lease payments for the engine/aerial.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the purchase and lease agreement.

**Motion by Commissioner Spataro, second by Commissioner Davis to approve the request to purchase two fire engines.**

**ROLL VOTE: Ayes: Larson, Shepherd, Spataro, Warmington, Carter, Davis, and**

Gawron

Nays: None

**MOTION PASSES**

**C. Fire Truck Lease Purchase. FINANCE**

SUMMARY OF REQUEST: One of the commitments made in the 1993 income tax campaign was to set aside \$150,000 each year to replace major fire equipment on a "pay-as-you-go" basis. This commitment has been met each year. As of 12/31/04, there was \$470,086 held in this account with an additional \$150,000 to be contributed in 2005. Public Safety staff has determined there is serious need to replace two trucks at this time at a total projected cost of \$1,031,390. Staff is proposing to pay cash for the less expensive truck (\$425,566) and to finance the larger truck (\$605,824) via an Act 99 installment purchase contract. Staff is currently soliciting installment purchase quotes from various banks and other lending sources.

FINANCIAL IMPACT: Quotes are being taken for two repayment terms: 7-year and 10-year. Depending on which term is selected (and on quoted interest rates), annual installments are estimated to be \$70,000 - \$100,000.

BUDGET ACTION REQUIRED: None. Each year's budget includes \$150,000 allocation for fire equipment replacement. Funding for the installment purchase contract will come from this allocation.

STAFF RECOMMENDATION: To be determined.

**Motion by Commissioner Carter, second by Commissioner Shepherd to approve the fire truck lease purchase through National City Bank.**

**ROLL VOTE: Ayes: Shepherd, Spataro, Warmington, Carter, Davis, Gawron, and Larson**

Nays: None

**MOTION PASSES**

**D. Resolution to Acquire 280 Iona. COMMUNITY AND NEIGHBORHOOD SERVICES**

SUMMARY OF REQUEST: To approve the resolution that instructs the Community and Neighborhood Services office to obtain 280 Iona from the State of Michigan, which is currently a vacant abandoned home. The structure is located next door to 284 Iona, a recently completed infill home under the "Operation: At Long Last" project. The department's objective is to obtain 280 Iona for the minimum price of \$300, rehabilitate it and sell the property to a qualified family. The obtaining of this property and the total rehabilitation is one additional piece to the City's continuous neighborhood revitalization efforts.

FINANCIAL IMPACT: CNS Office will supply \$300 from the HOME program

income fund.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the resolution and instruct the CNS Office to send the document to the State of Michigan.

COMMITTEE RECOMMENDATION: The Commission approved this transaction during the December 7, 2004, meeting.

**Motion by Commissioner Shepherd, second by Commissioner Spataro to approve the resolution to acquire 280 Iona from the State of Michigan.**

**ROLL VOTE: Ayes: Spataro, Warmington, Carter, Davis, Gawron, Larson, and Shepherd**

**Nays: None**

***MOTION PASSES***

**E. City - MDNR Memorandum of Understanding for Bike Trail along Laketon. ENGINEERING**

SUMMARY OF REQUEST: Approve the memorandum of understanding between the City and MDNR for the construction of a 10' asphalt trail starting at Getty and moving east to the extent the available funds of \$50,000 permits. The project will use City man power for the work while the State will pay for the material and the rental of any other equipment necessary to do the work. It is expected that the \$50,000 from MDNR will be enough to construct a bike path between Getty & Roberts.

FINANCIAL IMPACT: The salaries of those individuals that will be involved in the work which is estimated at about \$10,000 and the use of City owned equipment.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approve the Memorandum of Understanding.

**Motion by Commissioner Spataro, second by Commissioner Gawron to approve the Michigan Department of Natural Resources Memorandum of Understanding for the Bike Trail along Laketon Avenue.**

**ROLL VOTE: Ayes: Warmington, Carter, Davis, Gawron, Larson, Shepherd, and Spataro**

**Nays: None**

***MOTION PASSES***

**F. Fireworks Display Request for the Greek Festival. CITY CLERK**

SUMMARY OF REQUEST: At the June 28<sup>th</sup> Commission Meeting you approved the request from Summit Pyrotechnics for a fireworks display permit for the Big Fat Greek Festival on July 30<sup>th</sup>. They are now requesting to set the fireworks off from

land instead of the Barge at Heritage Landing. Fire Marshall Metcalf will inspect the fireworks on the day of the event.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval contingent on site plan inspection and inspection of the fireworks.

**Motion by Commissioner Carter, second by Commissioner Davis to approve the fireworks display request.**

**ROLL VOTE: Ayes: Carter, Davis, Gawron, Larson, Shepherd, Spataro, and Warmington**

**Nays: None**

***MOTION PASSES***

**ADJOURNMENT:** The City Commission Meeting adjourned at 6:47 p.m.

Respectfully submitted,

Gail A. Kunding, MMC  
City Clerk